



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

April 6, 2006

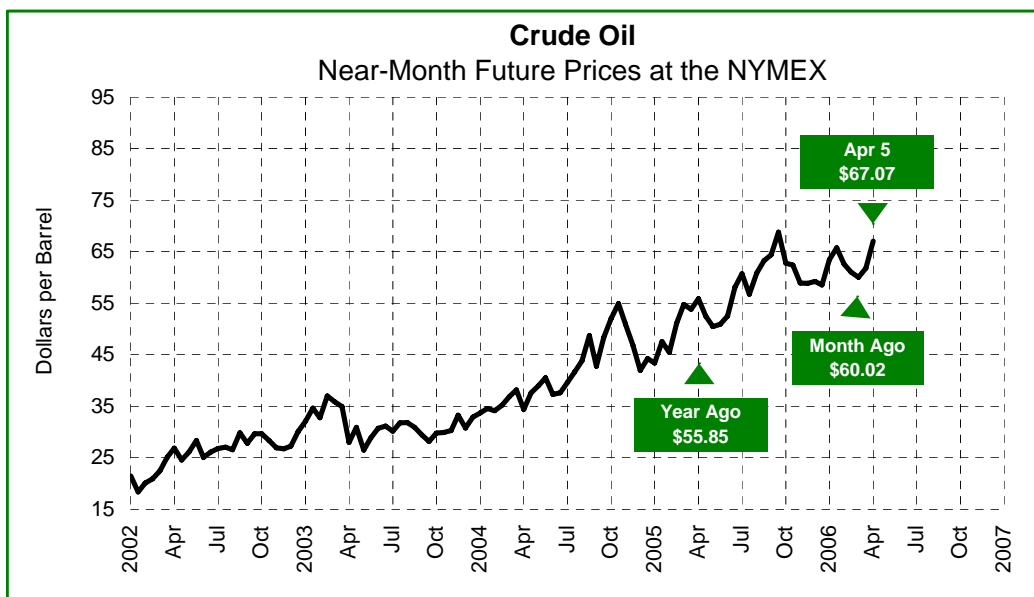
Crude Oil

On April 5, crude oil futures for May delivery on the NYMEX closed higher at \$67.07 per barrel in response to declining U.S. gasoline supplies and Nigerian oil output disruptions.

Crude Oil - Near Month Future Prices (dollars per barrel)

| | <u>04-05-06</u> | <u>03-08-06</u> | <u>change</u> | <u>04-06-05</u> | <u>change</u> |
|-------|-----------------|-----------------|---------------|-----------------|---------------|
| NYMEX | \$67.07 | \$60.02 | up 12% | \$55.85 | up 20% |

- Crude oil futures for May delivery on the NYMEX gained \$0.84 yesterday to settle at \$67.07 per barrel in response to falling U.S. gasoline supplies and on-going militant attacks disrupting 550,000 barrels per day (about 25 percent) of Nigeria's oil output. Nigeria is the world's 8th largest oil exporter.



- Crude oil supplies grew an additional 2.1 million barrels and are about 8 percent higher than last year at this time. Crude supplies are rising due to lower refinery runs, stable imports and limited recovery of U.S. production in the Gulf Region damaged during last year's hurricanes. The U.S. Minerals Management Service (MMS) reports that as of Wednesday, April 5, approximately 343,000 barrels or 22.7 percent of the Gulf's 1.5 million barrels per day of crude production continues to be shut down following Hurricane Rita and Katrina.

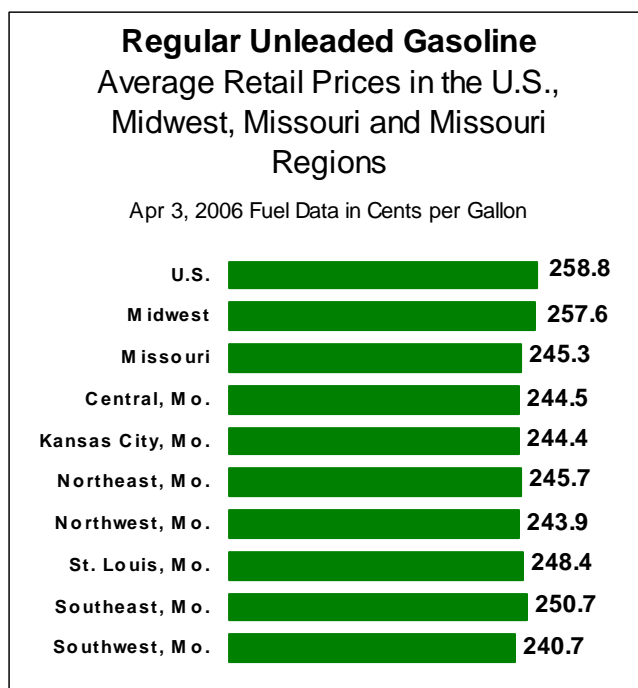
- For the week ending March 31, U.S. crude oil production improved slightly to 5.024 million barrels per day. Current production is below the 5.5 million barrels per day reported at this time last year. Crude oil imports remained steady at nearly 10 million barrels per day compared to 9.89 million barrels at this time last year.
- Refinery runs decreased 1.1 percent to 85.9 percent of capacity as U.S. refineries struggled to restart refineries that have completed seasonal and unscheduled maintenance while others begin maintenance in April. Weekly refinery utilization decreased slightly to 14.6 million barrels of crude oil per day compared to nearly 15.5 million barrels at this time last year.

Transportation Fuels

On April 3, Missouri's average retail price for regular unleaded gasoline was \$2.45 while diesel fuel was \$2.51 per gallon, an increase of 9 percent and 3 percent, respectively, compared to this time last month.

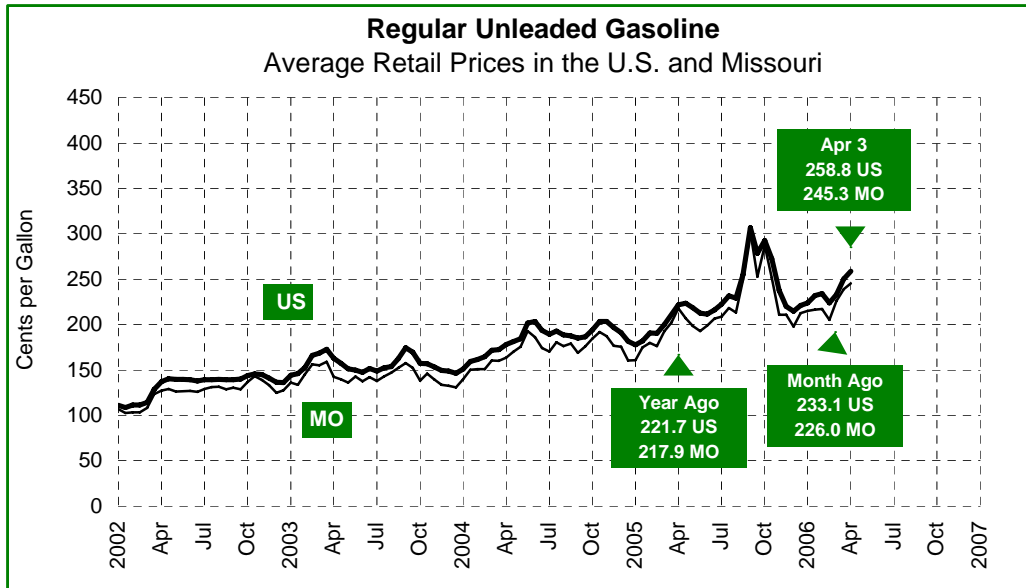
| <i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i> | | | | | |
|---|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>04-03-06</u> | <u>03-06-06</u> | <u>change</u> | <u>04-04-05</u> | <u>change</u> |
| US | 258.8 | 233.1 | up 11% | 221.7 | up 17% |
| Missouri | 245.3 | 226.0 | up 9% | 217.9 | up 13% |

| <i>Diesel Fuel - Retail Prices (cents per gallon)</i> | | | | | |
|---|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>04-03-06</u> | <u>03-06-06</u> | <u>change</u> | <u>04-04-05</u> | <u>change</u> |
| Missouri | 251.5 | 245.1 | up 3% | 223.8 | up 12% |

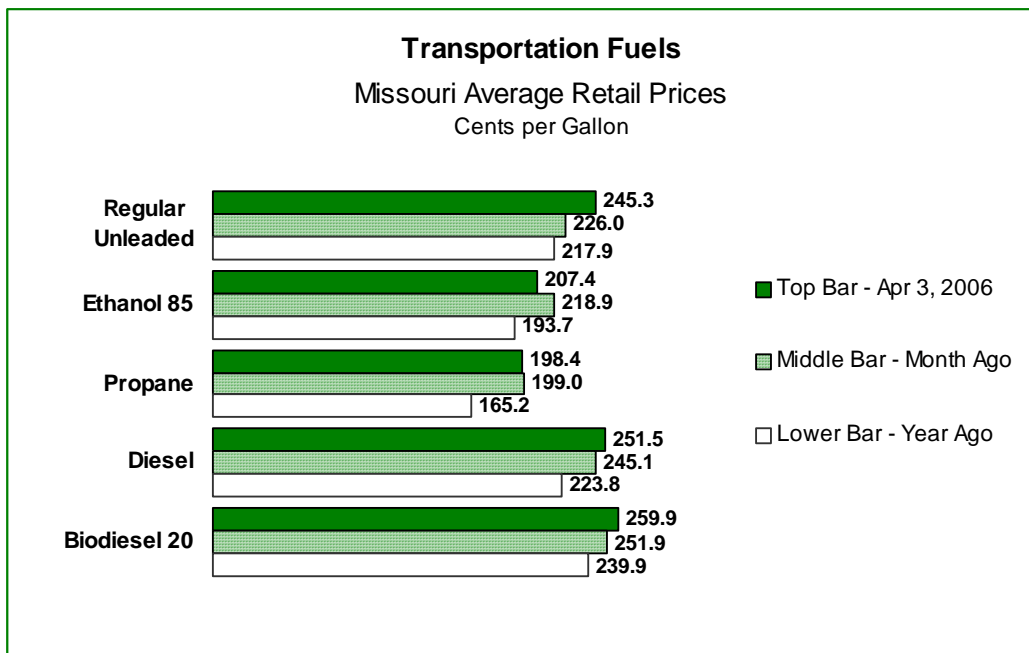


- On April 3, Missouri's statewide average gasoline retail price was up nearly 20 cents while diesel retail prices were up six cents from last month. Transportation fuel prices continue to rise at the NYMEX and spot markets in the Gulf due to refinery issues and mounting concerns regarding gasoline supplies prior to the summer driving season.

- The recent increase in gasoline prices can be attributed to two factors. The first is U.S. refinery production levels that are expected to be lower this April compared to previous years. Gasoline supplies normally improve by 3 million barrels in April; however, during the last two weeks, supplies have fallen by 10 million barrels and this trend is expected to continue due to refinery issues. The second factor is the transition from MTBE to ethanol-blended fuels, particularly along the East Coast and in some cities in Texas. This is occurring due to the removal of the federal oxygenate mandate in early May, causing refiners, pipelines, and other users of MTBE to complete the transition by the end of April. This transition has raised concerns over future supplies and prices.



- For the week ending March 31, U.S. gasoline stocks decreased 4.4 million barrels to 211.8 million barrels. U.S. supplies have declined nearly 10 million barrels after consecutive drops of 5.4 million and 4.4 million. Implied demand is 9 million barrels per day. Gasoline imports remain solid at over 1 million barrels per day. However, gasoline output dropped to just over 8.1 million barrels per day. Gasoline supplies are down 0.5 million barrels from a year ago.



Coal

The average monthly price of Powder River coal was \$15.13 per ton for March 2006, a decrease of 12 percent from February, but an increase of 128 percent from March 2005.

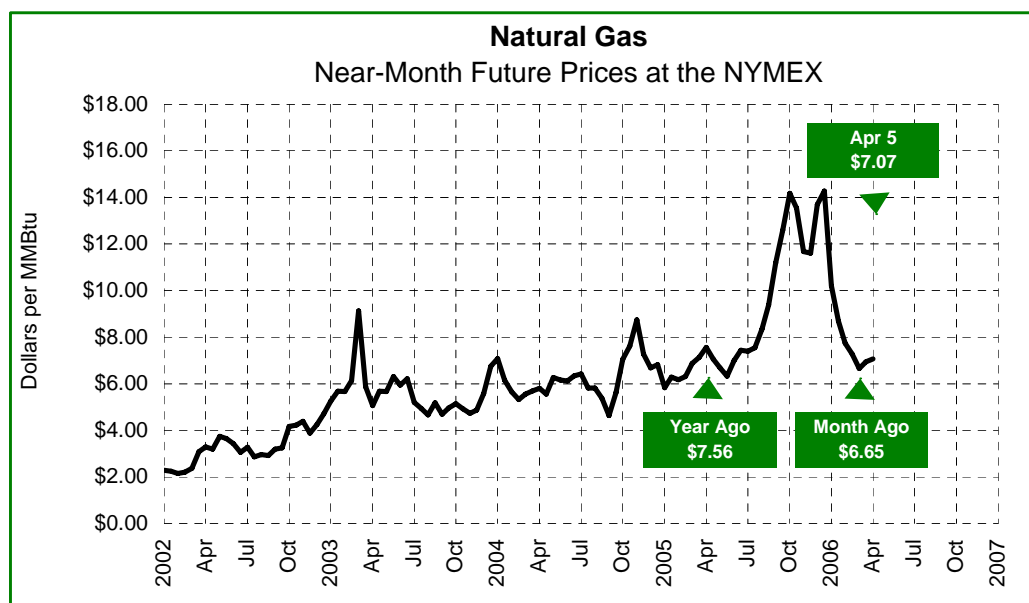
| Coal - Spot Prices (dollars per ton) | | | | | |
|--------------------------------------|----------------|----------------|---------------|----------------|---------------|
| | <u>Mar '06</u> | <u>Feb '06</u> | <u>change</u> | <u>Mar '05</u> | <u>change</u> |
| Powder River | \$15.13 | \$17.25 | down 12% | \$6.63 | up 128% |

- Based on weekly averages, Powder River Basin (PRB) spot prices declined for the weeks ended February 24 through March 17. These declines continued the downward trend in PRB spot prices since the week ended January 13. From the peak of \$20.66 per short ton, the average spot price most recently reached \$14.40 for the prompt quarter.

Natural Gas

On April 5, natural gas futures closed at \$7.07 per MMBtu, an increase of 6 percent or \$0.42 since last month but a decrease of 6 percent or \$0.49 since last April.

| Natural Gas - Near Month Future Prices (dollars per mmbtu) | | | | | |
|--|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>04-05-06</u> | <u>03-08-06</u> | <u>change</u> | <u>04-06-05</u> | <u>change</u> |
| NYMEX | \$7.07 | \$6.65 | up 6% | \$7.56 | down 6% |



- At the NYMEX, the May 2006 contract gained 3.1 cents per MMBtu on its first day as the near-month contract (March 30). For the week ended March 31, however, the May 2006 contract decreased 39 cents, or about 5 percent, settling at \$7.069 per MMBtu on April 5.

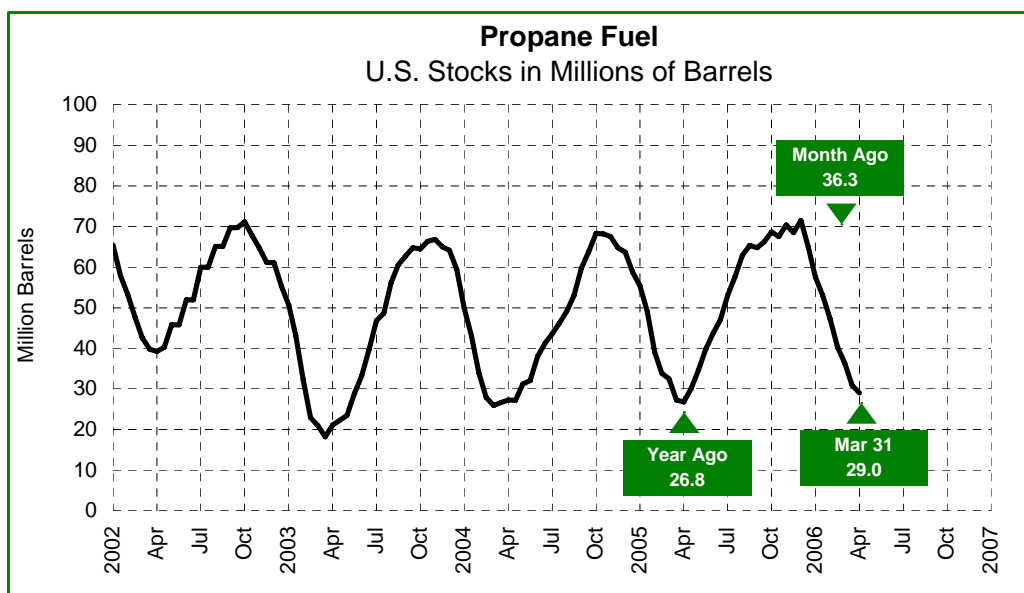
- Working gas in storage was 1,695 Bcf as of Friday, March 31, 2006, according to EIA estimates. This represents a net decline of 10 Bcf from the previous week. Stocks were 447 Bcf higher than last year at this time and 654 Bcf above the 5-year average of 1,041 Bcf. As of April 5, the U.S. Minerals Management Service estimated that 1.36 billion cubic feet per day (BCFPD) or approximately 13.62 percent of the Gulf's 10 BCFPD natural gas production remains shut down.

Propane

Missouri's average retail propane price was \$1.60 per gallon on April 3, down 5 cents from March 6.

| Propane - Residential Prices (cents per gallon) | | | | | |
|---|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>04-03-06</u> | <u>03-06-06</u> | <u>change</u> | <u>04-04-05</u> | <u>change</u> |
| Missouri | 160.9 | 165.9 | down 3% | 149.1 | up 8% |

- As of March 31, U.S. inventories of propane stood at an estimated 29 million barrels, the highest end-of-season level since 2002. Midwest inventories remained unchanged at 11.2 million barrels for the week ending March 31. Inventories stood at 8.9 million barrels at this time last year.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm